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## **Enerchina Holdings Limited**

**威華達控股有限公司\***

*(Incorporated in Bermuda with limited liability)*

**(Stock Code: 622)**

### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

**Placing Agent**



**ENHANCED 進陞證券  
SECURITIES LIMITED**

#### **PLACING OF NEW SHARES UNDER GENERAL MANDATE**

On 14 July 2017 (after trading hours), the Company entered into the Placing Agreement with the Placing Agent in relation to the placing of the Placing Shares. Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to place a total of 2,233,753,999 new Shares on a fully underwritten basis, to not less than six Places, at a price of HK\$0.15 per Placing Share.

The 2,233,753,999 Placing Shares under the Placing represents approximately 18.18% of the existing issued share capital of the Company of 12,285,646,995 Shares as at the date of this announcement and approximately 15.38% of the issued share capital of 14,519,400,994 Shares as enlarged by the Placing Shares, assuming no further change in the share capital structure of the Company from the date of this announcement and up to the completion of the Placing. The aggregate nominal value of the Placing Shares under the Placing will be approximately HK\$22,337,540.

\* For identification purpose only

The Placing Price of HK\$0.15 represents (i) a discount of approximately 16.67% to the closing price of the Shares of HK\$0.18 as quoted on the Stock Exchange on 14 July 2017, being the date of the Placing Agreement and (ii) a discount of approximately 15.82% to the average closing price of the Shares of approximately HK\$0.1782 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to 14 July 2017.

The aggregate gross proceeds from the Placing are expected to be approximately HK\$335.06 million, and the aggregate net proceeds from the Placing, after deducting the placing commission and other related expenses, are expected to be approximately HK\$326.43 million, which is intended to be used as general working capital of the Group.

Completion of the Placing Agreement is conditional upon the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares.

The General Mandate will be fully utilized upon the allotment and issue of all the Placing Shares.

**Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement.**

**As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **THE PLACING AGREEMENT**

### **Date**

14 July 2017

### **Issuer**

The Company

### **Placing Agent**

Enhanced Securities Limited is the Placing Agent. To the best of the Directors' knowledge, information and belief having made all reasonable enquiry, the Placing Agent and its ultimate beneficial owner(s) are Independent Third Parties.

Pursuant to the Placing Agreement, the Placing Agent has conditionally agreed to place a total of 2,233,753,999 new Shares on a fully underwritten basis, to not less than six Placees, at a price of HK\$0.15 per Placing Share.

### **Placees**

The Placing Shares shall be offered by the Placing Agent to not less than six Placees, who and whose ultimate beneficial owners shall be Independent Third Parties.

### **Number of Placing Shares**

The 2,233,753,999 Placing Shares under the Placing represents approximately 18.18% of the existing issued share capital of the Company of 12,285,646,995 Shares as at the date of this announcement and approximately 15.38% of the issued share capital of 14,519,400,994 Shares as enlarged by the Placing Shares, assuming no further change in the share capital structure of the Company from the date of this announcement and up to the completion of the Placing. The aggregate nominal value of the Placing Shares under the Placing will be approximately HK\$22,337,540.

### **Ranking of Placing Shares**

The Placing Shares, when issued and fully paid, will rank *pari passu* in all respects among themselves and with the existing Shares in issue on the date of allotment and issue of the Placing Shares.

### **Placing Price**

The Placing Price represents:

- (i) a discount of approximately 16.67% to the closing price of HK\$0.18 per Share as quoted on the Stock Exchange on 14 July 2017, being the date of the Placing Agreement; and
- (ii) a discount of approximately 15.82% to the average closing price per Share of approximately HK\$0.1782 as quoted on the Stock Exchange for the last five consecutive trading days immediately preceding to 14 July 2017.

The net placing price for the Placing is approximately HK\$0.146 per Share.

The Placing Price was negotiated on arm's length basis between the Company and the Placing Agent with reference to the prevailing market price of the Shares and the current market conditions. The Directors consider that the terms of the Placing Agreement are on normal commercial terms, fair and reasonable and in the interests of the Company and the Shareholders as a whole.

### **Placing commission payable to the Placing Agent**

The Placing Agent will receive a commission, in Hong Kong dollars, of 2.5% of the amount equal to the Placing Price multiplied by the number of Placing Shares. The Directors are of the view that the placing commission is fair and reasonable given the prevailing market practice.

### **Condition of the Placing Agreement**

Completion of the Placing is conditional upon the Stock Exchange granting approval for the listing of and permission to deal in the Placing Shares.

If the foregoing condition is not fulfilled on or prior to 21 days from the date of the Placing Agreement, the Placing Agreement shall terminate and none of the parties to the Placing Agreement shall have any claim against the other for any costs or losses (save for any prior breaches of the Placing Agreement).

### **Termination**

If at any time prior to 10:00 a.m. on the Completion Date, in the reasonable opinion of the Placing Agent that the success of the Placing or the business or financial prospects of the Group would or might be adversely affected by:

- (i) any material breach of any of the representations and warranties set out in the Placing Agreement; or
- (ii) any of the following events:
  - (a) the introduction of any new law or regulation or any change in existing laws or regulations or change in the interpretation or application thereof; or
  - (b) the occurrence of any event, development or change (whether or not local, national or international or forming part of a series of events or changes occurring or continuing before, on and/or after the date hereof and including an event or change in relation to or a development of an existing state of affairs) of a political, military, industrial, financial, economic or other nature, whether or not sui generis with any of the foregoing, resulting in a material adverse change in, or which might be expected to result in a material adverse change in, political, economic or stock market conditions; or
  - (c) the imposition of any moratorium, suspension or material restriction on trading in securities generally on the Stock Exchange occurring due to exceptional financial circumstances or otherwise; or
  - (d) a change or development involving a prospective change in taxation in Hong Kong or Bermuda or elsewhere or the implementation of exchange controls which shall or might materially and adversely affect the Group (as a whole) or its present or prospective shareholders in their capacity as such; or
  - (e) any change or deterioration in the conditions of local, national or international securities markets occurs,

then and in any such case, the Placing Agent may terminate the Placing Agreement without liability to the Company by giving notice in writing to the Company, provided that such notice is received by the Company prior to 10:00 a.m. on the Completion Date.

In the event that the Placing Agent terminates the Placing Agreement pursuant to the clauses above, all obligations of each of the parties under the Placing Agreement shall cease and determine and no party shall have any claim against any other party in respect of any matter arising out of or in connection with Placing Agreement except for any breach arising prior to such termination.

### **General Mandate**

The Company is authorized to allot and issue up to 2,233,753,999 new Shares under the General Mandate granted by the Shareholders at the annual general meeting of the Company held on 26 May 2017. Since the date of grant of the General Mandate and up to the date of this announcement, the Directors have not utilized the General Mandate to allot and issue any new Shares. As the Placing Shares will be issued under the General Mandate, the Placing is not subject to Shareholders' approval. The General Mandate will be fully utilized upon the allotment and issue of all the Placing Shares.

### **Completion**

Completion of the Placing shall take place not later than the second Business Day following the satisfaction of the condition set out in the Placing Agreement or such other date as the Company and the Placing Agent shall agree.

### **REASONS FOR THE PLACING AND USE OF PROCEEDS**

The Group principally engages in investment holdings, provision of securities brokerage services, placing and underwriting services, corporate finance advisory services, money lending services, investment advisory and asset management services, margin financing, trading and investment in securities.

The aggregate gross proceeds from the Placing are expected to be approximately HK\$335.06 million, and the aggregate net proceeds from the Placing, after deducting the placing commission and other related expenses, are expected to be approximately HK\$326.43 million, which is intended to be used as general working capital of the Group.

After considering different fund raising options such as conducting a rights issue, the Directors believe that the Placing represents an opportunity to raise additional funding to strengthen the Company's financial position as well as to enlarge the shareholding base of the Company within a relatively shorter time frame and at a lower cost compared with other means of fund raising. Accordingly, the Board considers that the terms of the Placing Agreement are fair and reasonable and the Placing is in the interests of the Company and the Shareholders as a whole.

### Fund raising activity in the past twelve months

<i>Date of announcement</i>	<i>Fund raising activity</i>	<i>Net proceeds raised</i>	<i>Proposed use of the net proceeds</i>	<i>Actual use of the net proceeds</i>
30 November 2016	The Rights Issue	Approximately HK\$924.59 million	Intended to be used for the repayment of the promissory notes or expansion of the Group's financial services business	Approximately HK\$821.86 million was used as intended and the remaining balance will be used as intended

Save for the fund raising activity disclosed above, the Company has not conducted any fund raising activities in the past twelve months immediately preceding the date of this announcement.

### Effects on shareholding structure of the Company

The shareholding structures of the Company (i) as at the date of this announcement and (ii) immediately after completion of the Placing (assuming that all the Placing Shares are placed and, there is no change in the share capital of the Company between the date of this announcement and the Completion Date) are as follows:

Name of Shareholders	As at the date of this announcement		Immediately after completion of the Placing	
	<i>Number of Shares</i>	<i>Approximately %</i>	<i>Number of Shares</i>	<i>Approximately %</i>
<b>Substantial Shareholder</b>				
Mr. Ou Yaping ("Mr. Ou") (Notes)	3,913,673,894	31.86	3,913,673,894	26.96
<b>Public Shareholders</b>				
The Placees	–	–	2,233,753,999	15.38
Other public Shareholders	8,371,973,101	68.14	8,371,973,101	57.66
<b>Total</b>	<b>12,285,646,995</b>	<b>100.00</b>	<b>14,519,400,994</b>	<b>100.00</b>

*Notes:*

- (1) 3,913,673,894 Shares represent the aggregate of (i) 3,835,658,427 Shares held by Asia Pacific Promotion Limited (“Asia Pacific”); (ii) 60,075,146 Shares held by Sinolink Worldwide Holdings Limited (“Sinolink”); and (iii) 17,940,321 Shares representing interests held jointly with another person.
- (2) Mr. Ou is the sole shareholder and director of Asia Pacific and through Asia Pacific together with his associates hold a total of 45.11% of the existing issued share capital of Sinolink as at the date of this announcement. Therefore, he is deemed to be interested in all these 3,895,733,573 shares under the SFO.

**Completion of the Placing is subject to the satisfaction of the condition precedent in the Placing Agreement.**

**As the Placing may or may not proceed, Shareholders and potential investors are advised to exercise caution when dealing in the Shares.**

## **DEFINITIONS**

In this announcement, the following terms shall have the meanings set opposite them unless the context otherwise requires:

“Board”	the board of Directors
“Business Day”	any day (excluding a Saturday, Sunday or public holiday) on which banks generally are open for business in Hong Kong
“Company”	Enerchina Holdings Limited, a company incorporated in Bermuda with limited liability, the issued Shares are listed on the main board of the Stock Exchange (stock code: 622)
“Completion Date”	not later than the second Business Day following the satisfaction of the condition as set out in the Placing Agreement or such other date as the Company and the Placing Agent shall agree
“connected persons”	have the meaning ascribed thereto under the Listing Rules
“Director(s)”	the director(s) of the Company

“General Mandate”	the general mandate granted to the Directors by the Shareholders at the annual general meeting on 26 May 2017 to allot and issue and deal with 20% of the issued share capital of the Company as at the date of the said annual general meeting
“Group”	the Company and its subsidiaries
“HK\$”	Hong Kong dollars, the lawful currency of Hong Kong
“Hong Kong”	the Hong Kong Special Administrative Region of the People’s Republic of China
“Independent Third Party(ies)”	third party(ies) independent of and not connected with the Company and any of its connected persons (having the meaning ascribed to it under the Listing Rules) and are not connected persons of the Company
“Listing Committee”	has the meaning ascribed thereto in the Listing Rules
“Listing Rules”	the Rules Governing the Listing of Securities on the Stock Exchange of Hong Kong Limited
“Placees”	any individual(s), institutional or professional investor(s) procured by the Placing Agent to subscribe for any of the Placing Shares pursuant to the Placing Agent’s obligations set out in the Placing Agreement
“Placing”	the offer by way of a private placing of the Placing Shares procured by the Placing Agent to selected investors on the terms and subject to the condition set out in the Placing Agreement
“Placing Agent”	Enhanced Securities Limited, a licensed corporation to carry out business in Type 1 (dealing in securities), Type 2 (dealing in futures contracts) and Type 6 (advising on corporate finance) regulated activities within the meaning of the SFO
“Placing Agreement”	the placing agreement dated 14 July 2017 entered into between the Placing Agent and the Company in respect of the Placing
“Placing Price”	the price of HK\$0.15 per Placing Share



“Placing Shares”	a total of 2,233,753,999 new Shares to be issued and allotted under the General Mandate and to be placed under the Placing
“Rights Issue”	the rights issue as announced by the Company on 30 November 2016 on the basis of one rights share for every two shares held on the record date
“SFO”	the Securities and Futures Ordinance (Chapter 571 of the Laws of Hong Kong)
“Share(s)”	ordinary share(s) with par value of HK\$0.01 each in the share capital of the Company
“Shareholder(s)”	shareholder(s) of the Company
“Stock Exchange”	the Stock Exchange of Hong Kong Limited
“Substantial Shareholder”	has the meaning ascribed thereto in the Listing Rules
“%”	per cent

By Order of the Board  
**Enerchina Holdings Limited**  
**Sam Nickolas David Hing Cheong**  
*Acting Chairman and Executive Director*

Hong Kong, 14 July 2017

*As at the date of this announcement, the Board comprises the following directors:*

*Executive Directors:*

Mr. Sam Nickolas David Hing Cheong  
*(Acting Chairman)*  
Mr. Chow Chi Wah Vincent  
*(Managing Director)*  
Mr. Wong Yat Fai

*Independent Non-Executive Directors:*

Mr. Cheung Wing Ping  
Mr. Chui Kark Ming  
Mr. Ma Ka Ki  
Mr. Hung Cho Sing  
Mr. Chan Hak Kan